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13 May 1980

## MEMORANDUM

SUBJECT: Recent Soviet Policy in Latin America

1. The past several months have seen a marked increase in Soviet activity related to Latin America. New Soviet initiatives have included:

- intensified economic, technical and nuclear dealings with Argentina;
- the first formal high-level visit to Latin America (in this case, Brazil) in many years;
- red-carpet treatment of a major Nicaraguan delegation in Moscow;
- conclusion of several assistance agreements with Managua;

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- hosted the General Secretary of Jamaica's People's National Party;

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2. The intensified Soviet activity is partly the result of the deterioration of Soviet-American relations that has followed Afghanistan. Soviet policy in the Western Hemisphere has long been characterized by caution and respect for US influence in the region. Moscow has also been aware of Washington's sensitivity to the appearance of a Soviet challenge in its backyard. The current strain in US-Soviet ties, however, has meant that Moscow is no longer constrained by the need to placate Washington in order to protect such detente equities such as grain trade, access to technology and SALT.

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*This memorandum was prepared at the request of the NIO for Latin America for background use by the DCI. It was prepared by [redacted] Office of Political Analysis, USSR Division, Soviet Foreign Policy Branch and has been coordinated with OPA/LA and NIO/LA. Comments may be directed to the Chief, Soviet Foreign Policy Branch [redacted]*

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3. The US trade sanctions triggered by the Afghan invasion has also led to stepped up Soviet economic activity in Latin America. Moscow has made substantial grain purchases from Brazil and--particularly--Argentina since those countries said they would not join the US sponsored boycott campaign.

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4. Soviet interest in the area has also been stimulated by Moscow's perception of favorable political trends.

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The Soviets are also trying to exploit Latin resentment of some US policies, such as the US human rights campaign and restrictions on arms sales.

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5. Soviet interest has also been quickened by what it sees as new revolutionary currents in certain countries--particularly in Central America. In the wake of Nicaragua, the Soviets see a new revolutionary situation developing in El Salvador and a possible pre-revolutionary situation in Guatemala.

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6. Despite this heightened Soviet interest, some constraints on Soviet activity are likely to remain:

- Latin America is far from the USSR and not central as are Europe, the Middle East and South Asia to Soviet security concerns.
- Moscow recognizes the US still has significant political influence in the region.
- The Soviets are unwilling to invest substantial economic assistance in the area and realize the Latins still prefer Western goods.
- Finally, Moscow recognizes that its influence is dependent on potentially changeable political situations (Jamaica is a case in point).

Although these factors are likely to temper Soviet interest in the region, it still seems likely that in the 1980s the US is going to face more competition in Latin America from the USSR than it did in the preceding decade.

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